

ATTACHMENT C  
PROPOSITION 203 FUNDING OPTIONS

SAB 05-01-96

State Allocation Board Funding Options

The SAB has many options as it relates to the distribution of funds from Proposition 203 and the development of new programs identified. All programs identified in the bond bill are permissive, with the exception of new construction.

In the Lease-Purchase Program new construction projects are divided into three phases. All phases in a priority or a specific phase may be funded. Funding Phase C (construction) projects creates jobs in construction and related industries. Funding Phase S (site) may allow school districts to take advantage of current real estate values. Funding Phase P (planning) projects that are linked to Phase S (site) and Phase C (construction) create similar opportunities. When Phases P and S are linked to a Phase C, it is recommended all the phases receive funding.

The Funding Options table will outline the funding options of implementing certain programs.

Funding Options			Comments
Funds Specifically Assigned	New Construction - \$960,000,000 (Minimum)	1. Fund only Hardship and Priority 1 projects on unfunded list (includes Planning, Site and Construction Phases). Address additional funding priorities in two months.  Estimated value is \$392,312,839.	Option 1 is in keeping with the Board actions when addressing Propositions 152 & 155 of 1992. In addition, waiting 60 days before funding other priorities will encourage some districts to enhance their funding priority to 1.
		2. Fund all Hardship, Priority 1 and 2 projects on the unfunded list (includes Planning, Site and Construction Phases).  Estimated value is \$841,662,889.	Option 2 will essentially reduce available funds for future priority 1 projects.
		3. Fund all Hardship and all Priorities (Priorities 1 through 8) projects on the unfunded list.  Estimated value is \$889,922,346.	Option 3 has essentially the same impact as option 2.
	Seismic Retrofit - up to \$100,000,000	1. Fund all currently identified "seismic retrofit" projects.  Estimated value is \$4,400,000.	SAB has a Seismic Retrofit Program, however, the identified need is minimal at this time. It may change now that districts are aware that funds may be available for this purpose. These projects have assigned funding priorities as a regular project and would be funded if that specific priority level was funded.
		2. Do not fund currently identified "seismic retrofit" projects.	

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Funding Options		Comments	
Funds Specifically Assigned	60% Contribution up to \$40,000,000	1. Reserve these funds until staff can develop recommendations to the State Allocation Board.  Estimated value is “unknown”.	The SAB has a 60/40 program developed in accordance with SB 569; however, the program could be expanded by language outlined in the bond bill.  Bond bill language is permissive.
		2. Do not fund this program.	To date, no districts have opted for the 60/40 program.
	Joint Use up to \$25,000,000	1. Do not implement this program.	Staff would be required to develop a program which will require additional OPSC staffing.
		2. Reserve these funds until staff can develop recommendations to the State Allocation Board.  Estimated participation is “unknown”.	Bond bill language is permissive.
Funds Not Specifically Assigned - Not to Exceed \$900,000,000	Air Conditioning	1. Fund all the Air Conditioning projects currently in house.  Estimated value is \$37,300,000.	This program allows school district to add air conditioning/insulation if the district agrees to operate on a year-round basis. Air conditioning/insulation is a necessity for those school district located in areas where temperatures become extremely hot or cold.
		2. Do not fund any Air Conditioning projects and direct staff to evaluate existing program.	Bond bill language is permissive.
	Asbestos	1. Do not implement this program.	In the past the SAB administered an asbestos abatement program, however, due to lack of funding the SAB closed out the program.
		2. Reserve funds until staff can develop recommendations to the State Allocation Board.  Estimated value is “unknown”.	Bond bill language is permissive.
	Lead	1. Do not implement this program.	Staff would have to develop a new “lead” program which will require additional OPSC staffing.
		2. Reserve funds until staff can develop recommendations to the State Allocation Board.  Estimated value is “unknown”.	Bond bill language is permissive.
	Child Care	1. Do not implement this program.	The State Allocation Board has not participated in this program for several years due to lack of funding.
		2. Reserve funds until staff can determine the need for Child Care Facilities.  Estimated value is “unknown”.	Bond bill language is permissive.

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Funds Not Specifically Assigned - Not to Exceed \$900,000,000	Severely Handicapped	1. Do not implement this program.	Staff would be required to develop a program which will require additional OPSC staffing.  Bond bill language is permissive.
		2. Reserve funds until staff can determine the need for County Office of Education Severely Handicapped Program.  Estimated value is “unknown”.	
	F & E Security	1. Do not implement this program.	Staff would be required to develop a program which will require additional OPSC staffing.  Bond bill language is permissive.
		2. Reserve funds until staff can determine the need for Furniture and Equipment/Security.  Estimated value is “unknown”.	
	Modernization	1. Fund only Priority 1, (includes Planning and Construction Phases) on the unfunded list for the next two months.  Estimated value is \$48,503,364.	Option 1 is in keeping with the Board actions when addressing Propositions 152 & 155 of 1992. In addition, waiting 60 days before funding other priorities will encourage some districts to enhance their funding priority to 1.  Option 2 will essentially reduce available funds for future priority 1 projects.  Bond bill language is permissive.
		2. Fund all Priority 1 and 2, (includes Planning and Construction Phases) on the unfunded list.  Estimated value is \$517,996,113.	
	Modernization (Earthquake)	1. Do not implement this program.	Staff would be required to develop a program which will require additional OPSC staffing.  Bond bill language is permissive.
2. Reserve funds until staff can determine the need for the reconstruction or modernization of an existing structure in an amount that exceeds 25% of the replacement cost of that structure in order to finance structural improvements needed to avert future earthquake damage.  Estimated value is “unknown”.			
Modernization (Wiring, Cabling & Hardware)	1. Do not implement this program.	Staff would be required to develop a program which will require additional OPSC staffing.  Bond bill language is permissive.	
	2. Reserve funds until staff can develop recommendations to the State Allocation Board.  Estimated value is “unknown”.		

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Funding Options			Comments
Funds Not Specifically Assigned - Not to Exceed \$900,000,000	State Relocatable Classroom Program	1. Do not continue to fund this program.	It is anticipated that \$15 million would be needed to purchase new buildings over the next two years to satisfy demand.  Bond bill language is permissive.
		2. Provide funding for the State Relocatable Classroom Program.  Estimated value is \$15,000,000.	
	Priority Roof Replacement	1. Do not implement program.	Staff would be required to develop a program which will require additional OPSC staffing.  Bond bill language is permissive.
		2. Reserve funds until staff can determine the need for roof replacements.  Estimated value is "unknown".	
	Growth - Prison Related	1. Do not implement program.	Staff would be required to develop a program which will require additional OPSC staffing.  Bond bill language is permissive.
		2. Reserve funds until staff can determine the need for funding schools as a result of prison construction.  Current program may need to be expanded.  Estimated value is "unknown".	
	Size	1. Do not implement program.	Staff would be required to develop a program which will require additional OPSC staffing.  Bond bill language is permissive.
		2. Reserve funds until staff can determine the need for funding districts that lack funding priority due to the size of pupil enrollment in the district.  Estimated value is "unknown".	